

1 *E-filed on 7/14/06*

2

3

4

5

6

7

8

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

10

11

12 IN RE CYGNUS TELECOMMUNICATIONS  
13 TECHNOLOGY, LLC, PATENT  
14 LITIGATION

No. MDL-1423  
This Order Applies to All Actions

15

THIS ORDER RELATES TO:  
All Actions

C-02-00142 RMW  
C-02-00145 RMW  
C-02-05437 RMW  
C-03-03594 RMW  
C-03-03596 RMW  
C-03-03378 RMW  
C-03-04003 RMW  
C-03-05758 RMW  
C-04-01791 RMW  
C-04-03001 RMW  
C-04-03365 RMW  
C-04-04247 RMW  
C-04-04359 RMW  
C-05-01291 RMW  
C-06-03843 RMW  
C-06-04295 RMW

16

17

18

19

20

21

22

MISCELLANEOUS ORDER

23

**I. DISCOVERY ISSUES**

24

25

26

27

28

In a June 21, 2006 scheduling order, the court instructed the parties to develop a discovery depository to facilitate all parties' access to documents in these coordinated actions. The parties requested a phone conference to resolve three discovery issues: (1) how to divide the cost of setting up and maintaining the discovery depository, (2) who bears the cost of producing documents in Cygnus's possession, and (3) who should host the depository site.

1   **A. Cost of the discovery depository**

2       Cygnus's position is that Cygnus and each defendant should pay an equal share of the cost.  
 3       The defense position is that Cygnus should pay half the cost and the defendants collectively should  
 4       pay half the cost.

5       If Cygnus had sued only one defendant, presumably each would bear approximately half the  
 6       costs of discovery. The court doubts that adding an additional defendant to this hypothetical  
 7       situation would greatly increase the discovery required to be produced by Cygnus. Conversely, it is  
 8       unlikely that there would be substantial overlap between each defendant's discovery production, so  
 9       an additional defendant would significantly add to the discovery deposited. During the phone  
 10      conference, Cygnus reported there were seventeen defendants. While Cygnus appears to have  
 11      named more than seventeen entities as defendants in these actions, the court will accept seventeen as  
 12      the number of defendants important for discovery purposes.

13      Since it appears reasonable to assume Cygnus's discovery production in these actions, except  
 14      for its original production, will not be significantly greater than that of an individual defendant, and  
 15      there are by Cygnus's estimation eighteen parties important for discovery, the court orders Cygnus to  
 16      bear 11 percent of the cost of the discovery depository (approximately 2/18ths or 1/9th) and the  
 17      defendants to collectively bear the other 89 percent (approximately 16/18ths or 8/9th). For  
 18      simplicity, this ratio will not change as defendants are added or removed from proceedings before  
 19      this court. Each participating defendant shall presumptively bear an equal share of the defendants'  
 20      portion of the cost, though the defendants are free to make other arrangements among themselves.

21   **B. Cost of producing documents in Cygnus's possession**

22      Cygnus's counsel possesses approximately twenty-five boxes of documents from past cases.  
 23      Defendants want access to all these documents. Cygnus argues that it should bear no part of the cost  
 24      of producing these documents except for the few it intends to use. According to Cygnus, the  
 25      documents include multiple copies of the patents-in-suit, very similar complaints, and material  
 26      produced in discovery by defendants in related cases (including some defendants that remain in  
 27      these actions). Liaison counsel for the defendants proposed that defendants initially bear the cost of  
 28      scanning these documents, with leave to move at a later date to shift some of the cost to Cygnus.

1 This proposal seems reasonable,<sup>1</sup> but the court will wait to hear from liaison counsel a firm estimate  
 2 of the cost of such production before making a final ruling. Liaison counsel's estimate shall take  
 3 into consideration the following paragraph.

4 The defendants will under no circumstances be reimbursed for the costs of scanning copies  
 5 of the patents-in-suit. The defendants will also not be reimbursed for scanning documents related to  
 6 lawsuits where there was no discovery or disclosures (voluntary or made under Fed.R.Civ.P. 26), no  
 7 settlement negotiations, and no default judgments entered. Materials related to reexaminations of  
 8 the patents-in-suit publicly available on the USPTO website also need not be scanned. Defendants  
 9 should also be mindful of the limitations of the Federal Rules of Civil Procedure, such as  
 10 Fed.R.Civ.P. 26(b)(2)(i), which states that discovery should not be "unreasonably cumulative or  
 11 duplicative, or . . . obtainable from some other source that is more convenient, less burdensome, or  
 12 less expensive." Discoverable material in Cygnus's possession includes, at a minimum, settlements  
 13 not ordered kept confidential by a court, as well as any discovery responses, voluntary disclosures,  
 14 required disclosures, and settlement-related papers. Cygnus shall provide liaison counsel with an  
 15 itemization of any confidential documents.

16 **C. Host for depository**

17 Defendant Interactive Media Technologies Inc. d/b/a GlobalTel has volunteered to host the  
 18 depository site at a below-market rate. As counsel estimates this will save several thousand dollars,  
 19 the court will approve it. GlobalTel's hosting of the site is subject to modification or substitution if  
 20 the hosting is not being properly performed.

21 **II. LIAISON COUNSEL ISSUES**

22 Also at the phone conference, several issues relating to the duties of liaison counsel arose.

23 **A. Defendants who have not consented to representation by liaison counsel**

24 The defendants have generally selected Kieran Fallon, counsel for GlobalTel, as liaison  
 25 counsel. Fallon reports that defendants TelCan Inc., Mike Choren, and Access Network Services

---

26 <sup>1</sup> Under *Zubulake v. UBS Warberg LLC*, cited by Cygnus, "the presumption is that the responding  
 27 party must bear the expense of complying with discovery requests," though "requests that run afoul  
 28 of the Rule 26(b)(2) proportionality test may subject the requesting party to protective orders under  
 Rule 26(c), including orders conditioning discovery on the requesting party's payment of the costs of  
 discovery." 216 F.R.D. 280, 283 (S.D.N.Y. 2003) (quotation marks omitted).

1 have not responded to his communications. Fallon is, of course, excused from representing those  
 2 defendants as liaison counsel unless they subsequently consent; he should, however, make  
 3 reasonable efforts to coordinate the efforts of the defendants he does represent with any action taken  
 4 by defendants he does not. Sanctions may be awarded against any defendant who fails to cooperate  
 5 with liaison counsel.

6 **B. Scope of liaison counsel's duties**

7 The parties sought instruction on whether liaison counsel would be responsible for discovery  
 8 disputes involving individual defendants. The court envisions liaison counsel's primary  
 9 responsibilities to be coordinating discovery and motion practice. If a discovery dispute arises  
 10 involving a single defendant, liaison counsel should ensure Cygnus and other defendants are not  
 11 aware of similar issues that could be dealt with at the same time. Liaison counsel should also  
 12 attempt to ensure that individual discovery disputes are scheduled in a manner that makes sense for  
 13 these actions as a whole. Liaison counsel is not responsible for briefing an individual discovery  
 14 dispute (unless it involves GlobalTel); such briefing should be done by counsel for the defendant  
 15 involved.

16 **C. New actions**

17 The Panel on Multidistrict Litigation continues to transfer in additional cases, most recently  
 18 Case No. 06-03843 from the Eastern District of California and Case No. 06-04295 from the District  
 19 of Arizona. Cygnus and liaison counsel shall confer with the defendants in these two actions and  
 20 determine whether these new defendants can and should follow the June 21, 2006 scheduling order.  
 21 The court would strongly prefer that the new defendants were included in the discovery and motion  
 22 practice leading up to the November 20, 2006 hearing. The parties are to report back to the court the  
 23 results of these discussions.

24 **III. AT&T'S MOTION FOR CLARIFICATION**

25 AT&T has filed a motion seeking clarification of the June 21, 2006 scheduling order. The  
 26 court clarifies the order as follows: Motions for summary judgment of invalidity or infringement  
 27 that involve the construction of claim terms, whether the construction is disputed or not, will be  
 28 heard on November 20, 2006, or at a later date if the claim construction adopted by the court is not

1 legitimately anticipated by a party and the court gives that party leave to file an additional motion  
2 for summary judgment. The twenty-five interrogatories from all defendants jointly shall be  
3 propounded in one set. The ten interrogatories allowed each defendant may be propounded in more  
4 than one set. Assuming these actions are not resolved on the motions heard on November 20, the  
5 court will thereafter allow further discovery.

6  
7 DATED: 7/14/06  
8

*Ronald M. Whyte*  
RONALD M. WHYTE  
United States District Judge

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 **A copy of this order was mailed on \_\_\_\_\_ to:**

2 **Counsel for Plaintiff:**

3 John P. Sutton  
2421 Pierce Street  
4 San Francisco, CA 94115-1131

John C. Carey  
Stroock & Stroock & Lavan, LLP  
200 South Biscayne Boulevard  
Suite 3160  
Miami, FL 33131-5323

5 Lewis Donald Prutzman  
Tannenbaum Helpern Syracuse & Hirschtritt LLP  
6 900 Third Avenue  
New York, NY 10022

Matthew P. Lewis  
White & Case LLP  
633 West Fifth Street  
Suite 1900  
Los Angeles, CA 90071-2007

7 Benson L. Hathaway, Jr., Michael F. Krieger,  
8 Todd E. Zenger  
Kirton & McConkie  
9 1800 Eagle Gate Tower  
60 East South Temple  
10 Salt Lake City, UT 84111

Robert J. Bittman  
White & Case LLP  
601 Thirteenth Street, NW  
Suite 600 South  
Washington, DC 20005-3807

11 David Allen Lowe, Lawrence D. Graham, Mark  
12 Stephen Beaufait  
Black Lowe & Graham  
13 701 Fifth Avenue  
Suite 4800  
Seattle, WA 98104

Ellen McGinty King  
White & Case LLP  
Five Palo Alto Square  
10th Floor  
3000 El Camino Real  
Palo Alto, CA 94306

15 Raymond C. Stewart, Quentin R. Corrie  
Birch Stewart Kolasch & Birch LLP  
8110 Gatehouse Road  
16 Suite 500 East  
Post Office Box 747  
17 Falls Church, VA 22040

Felice B. Galant, Gregory B. Wood  
Fulbright & Jaworski L.L.P.  
865 South Figueroa Street  
Twenty-Ninth Floor  
Los Angeles, CA 90017

18 Robert Charles Kain, Jr.  
Fleit Kain Gibbons Gutman & Bongini  
19 750 SE 3rd Avenue  
Suite 100  
20 Fort Lauderdale, FL 33316

Joseph P. Zammit  
Fulbright & Jaworski  
666 Fifth Avenue  
New York, NY 10103

21 E. J. Asbury, III  
Office of E.J. Asbury III  
22 3330 Cumberland Boulevard  
Suite 500  
23 Atlanta, CA 30339

John F. Mardula, Jon L. Roberts  
Roberts Abokhair Mardula, LLC  
11800 Sunrise Valley Drive  
Suite 1000  
Reston, VA 20191-5302

24 **Counsel for Defendants:**

25 Alan M. Weisberg, Steven M. Greenberg  
Christopher & Weisberg, P.A.  
26 200 E. Las Olas Avenue  
Suite 2040  
27 Fort Lauderdale, FL 33301

Richard B. Sheldon  
Mitchell Silberberg & Knupp LLP  
11377 West Olympic Boulevard  
Los Angeles, CA 90064-1683

Jeffrey L. Silvestrini, Brian F. Roberts  
Cohne Rappaport & Segal  
P.O. Box 11008  
Salt Lake City, UT 84147-0008

1 Raymond J. Etcheverry  
2 Parsons, Behle & Latimer  
One Utah Center  
201 South Main Street,  
3 Suite 1800, Post Office Box 45898  
Salt Lake City, UT 84145

4  
5 Kieran Patrick Fallon  
436 SW 8th Street  
Miami, FL 33130-2814

6  
7 Matthew Francis McGahren  
Baum & McGahren  
6171 Crooked Creek Road  
8 Norcross, GA 30092

9  
10 Lori D. Greendorfer, Maxim H. Waldbaum  
Schiff Hardin LLP  
623 Fifth Avenue  
28th Floor  
11 New York, NY 10022

12 Thomas T. Tamlyn  
13 Yeskoo Hogan & Tamlyn, LLP  
535 Fifth Avenue  
14 New York, NY 10017

15 Peter S. Canelias  
16 Law Offices of Peter S. Canelias  
420 Lexington Avenue  
Suite 2148  
17 New York, NY 10170

18 David T. Alexander  
19 MBV Law LLP  
855 Front Street  
San Francisco, CA 94111

20 Jon M. Gibbs  
Akerman, Senterfitt  
255 S. Orange Avenue  
21 Suite 1700  
Post Office Box 0231  
Orlando, FL 32802-0231

22 Elizabeth E. Green, R. Scott Shuker  
Gronek & Latham, LLP  
390 N. Orange Avenue  
23 Suite 600  
Orlando, FL 32801

24 Robert D. Becker, Shawn G. Hansen  
Manatt Phelps and Philips  
1001 Page Mill Road Bldg 2  
Palo Alto, CA 94304

25 Meredith L. Caliman  
Meredith L. Caliman Law Offices  
3858 Carson Street, Suite 120  
26 Torrance, CA 90503-6705

27 Gregory J. Nelson  
Nelson & Roediger  
3333 E Camelback Road, Suite 212  
Phoenix, AZ 85018

28 Peter Neil Greenfeld  
Greenfeld Law Group  
3333 E Camelback Road, Suite 212  
Phoenix, AZ 85018-2324

**Courtesy Copy:**

Clerk of the Panel  
Judicial Panel on Multidistrict Litigation  
Thurgood Marshall Federal Judiciary Building  
One Columbus Circle, N.E.  
Room G-255, North Lobby  
Washington, D.C. 20002-8004

29  
30 Counsel for plaintiff is responsible for ensuring that involved attorneys not on the above service list  
31 receive a copy of this order, if necessary, and shall inform the court of any omissions.

32

33

34

35